



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

December 21, 2000

CERTIFIED RETURN RECEIPT  
Z 228 355 109

Lawnie Mayhew  
Harper Contracting, Inc.  
8201 West 5400 South  
P.O. Box 18400  
Kearns, Utah 84118

Re: Formal Approval of Revised Notice of Intention for Large Mining Operations and Form and Amount of Replacement Reclamation Surety, Harper Contracting, Inc., Parleys Canyon Quarry, M/035/012, Salt Lake County, Utah

Dear Mr. Mayhew:

On December 15, 2000, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for Harper Contracting Inc.'s Parleys Canyon Quarry. The replacement reclamation surety in the amount of \$79,900 is in the form of a surety bond (# issued by National Fire Insurance Co. of Hartford. *The Division hereby grants its final approval of your revised large mining notice of intention and the replacement reclamation surety for the Parleys Canyon Quarry.* You may begin mining operations, as outlined in your revised large mining notice of intention, provided you have received all pertinent permits from Salt Lake County as well as other pertinent regulatory agencies.

Enclosed please find copies of the fully signed and executed replacement Reclamation Contract and surety bond forms for your files. We have also enclosed the original old Reclamation Contract dated 4/22/98 for your disposal and the original surety bond # \_\_\_\_\_ and rider for your return to the surety company.

Thank you for your help in finalizing this revised permitting action. Please call me if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

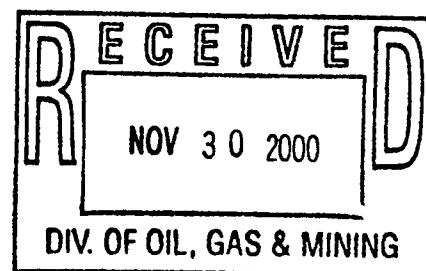
jb

Enclosure: Copies of Surety bond # \_\_\_\_\_, RC dated 12/15/00  
Original RC dated 4/22/98 and original surety bond # \_\_\_\_\_

cc: Bill Fuller, JBR Consultants  
Greg Baptist, SL County Planning & Development Services  
Debora Riddle, SL County Planning & Development Services

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**  
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/035/012  
(Mineral Mined) LIMESTONE

"MINE LOCATION":  
(Name of Mine) PARLEYS CANYON QUARRY  
(Description) APPROXIMATELY 1 1/4 MILES  
EAST OF I-80 & 215 INTERCHANGE  
PARLEYS CANYON

"DISTURBED AREA":  
(Disturbed Acres) 56.0 acres  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) HARPER CONTRACTING INC.  
(Address) 8201 WEST 5400 SOUTH  
P.O. BOX 18400  
KEARNS, UTAH 84118  
(Phone) Office 801-250-0132  
Fax 801-250-0671

"OPERATOR'S REGISTERED AGENT":

(Name)

SANDRA CALDER

(Address)

8201 WEST 5400 SOUTH

P.O. Box 18400

KEARNS, UTAH 84118

801-250-0132

(Phone)

"OPERATOR'S OFFICER(S)":

RULON HARPER, PRES

JAMES HARPER, VICE PRES

PAULA HARPER, SEC/TREAS

"SURETY":

(Form of Surety - Attachment B)

SURETY BOND

"SURETY COMPANY":

(Name, Policy or Acct. No.)

NATIONAL FIRE INSURANCE CO. OF HARTFORD  
BOND #

"SURETY AMOUNT":

(Escalated Dollars)

\$79,900 00

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between HARPER CONTRACTING INC. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/035/012 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated July 18, 1995, and the original Reclamation Plan dated July 18, 1995. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

HARPER CONTRACTING INC.

Operator Name

By RULON HARPER  
Authorized Officer (Typed or Printed)

PRESIDENT

Authorized Officer - Position

Officer's Signature

Date

11-20-2000

STATE OF

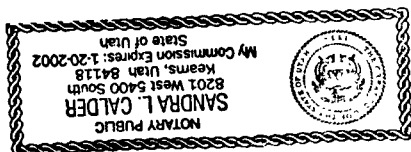
Utah

COUNTY OF

Salt Lake

) ss:

On the 20<sup>th</sup> day of November, 20 00, personally  
appeared before me Rulon J. Harper who being  
by me duly sworn did say that he/she, the said Rulon J. Harper is  
the President of Harper Contracting  
and duly acknowledged that said instrument was signed on behalf of said company by  
authority of its bylaws or a resolution of its board of directors and said  
Rulon J. Harper duly acknowledged to me that said company  
executed the same.



Notary Public

Residing at:

Salt Lake1-20-2002  
My Commission Expires:

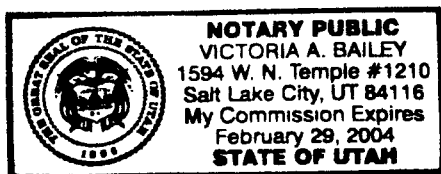
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton  
Lowell P. Braxton, Director

12/15/00  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 15<sup>th</sup> day of December, 2000, Lowell P. Braxton personally appeared before me, who being duly sworn did say that he/~~she~~, the said Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, Ut

February 29, 2004  
My Commission Expires:

## ATTACHMENT "A"

HARPER CONTRACTING INC  
Operator

PARLEYS CANYON QUARRY  
Mine Name

M/035/012  
Permit Number

SALT LAKE County, Utah

### The legal description of lands to be disturbed is:

The quarry is located in the SW 1/4 Section 18, and the NW 1/4 Section 19, T1S, R2E SLBM, Salt Lake County. The proposed operations are located well in excess of 200 feet from any residential zone or subdivision and more than 50 feet from Interstate 80.

Vehicle access to and from the quarry is gained through the use of an existing ramps connecting to Interstate 80. These ramps are immediately adjacent to the operations and allow for transportation of materials to the Salt Lake Valley.

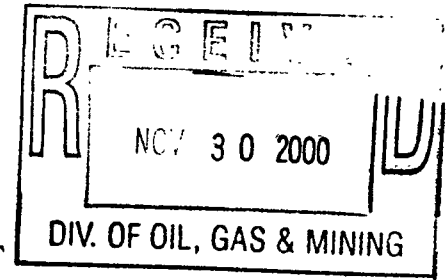


## ATTACHMENT B

FORM MR-5  
January 19, 2000

Bond Number \_\_\_\_\_  
Permit Number M/035/012  
Mine Name Parleys Canyon  
Rock Quarry

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



### THE MINED LAND RECLAMATION ACT

#### SURETY BOND

\*\*\*\*\*

The undersigned HARPER CONTRACTING, INC., as Principal, and NATIONAL FIRE INSURANCE CO. OF HARTFORD, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of SEVENTY NINE THOUSAND NINE HUNDRED & NO/100 dollars (\$ 79,900.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 21st day of December, 20 00, that 56 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

HARPER CONTRACTING, INC.

Principal (Permittee)

Rulon J. HARPER  
By (Name typed):

PRES  
Title

[Signature]  
Signature

NOVEMBER 16, 2000

Date

Surety Company

Guyanne L. Hansen  
Company Officer

Attorney-in-Fact  
Title/Position

[Signature]  
Signature

230 South 500 East

Surety Company Address

Salt Lake City, Utah 84102

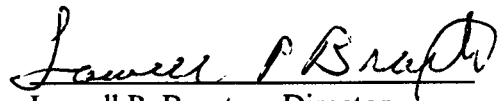
City, State, Zip

NOVEMBER 16, 2000

Date

SO AGREED this 15<sup>th</sup> day of December, 2000.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Lowell P. Braxton, Director  
Utah State Division of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

## AFFIDAVIT OF QUALIFICATION

On the 16th day of NOVEMBER, 20 00, Guyanne L. Hansen personally appeared before me, who being by me duly sworn did say that he/she, the said Guyanne L. Hansen is the Attorney-in-Fact of National Fire Insurance Co. of Hartford and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Guyanne L. Hansen duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Guyanne L. Hansen  
Surety Officer

Title: Attorney-in-Fact

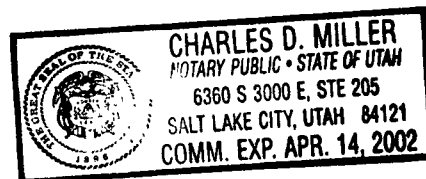
STATE OF Utah )  
 ) ss:  
COUNTY OF Salt Lake )

Subscribed and sworn to before me this 16th day of NOVEMBER, 20 00.

Charles D Miller  
Notary Public  
Residing at: Salt Lake City, Utah

My Commission Expires:

April 14, 20 02



## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CCC Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint Wm. Scott Shields, Jeffrey G. Shields, Guyanne L. Hansen, Individually

of Salt Lake City, Utah

their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CCC Surety Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 8th day of March, 1999.



CONTINENTAL CASUALTY COMPANY  
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

*Marvin J. Cashion*

Marvin J. Cashion

Group Vice President

State of Illinois, County of Cook, ss:

On this 8th day of March, 1999, before me personally came Marvin J. Cashion, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



*Mary Jo Abel*

My Commission Expires March 6, 2000

Mary Jo Abel

Notary Public

### CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seals of the said corporations this 20th day of NOVEMBER, 2000.



CONTINENTAL CASUALTY COMPANY  
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

*Mary A. Ribikawskis*

Mary A. Ribikawskis

Assistant Secretary

## **Authorizing By-Laws and Resolutions**

### **ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:**

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

#### **"Article IX—Execution of Documents**

**Section 3. Appointment of Attorney-in-fact.** The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

### **ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:**

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

#### **"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact**

**Section 2. Appointment of Attorney-in-fact.** The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior or Group Vice President may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

### **ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:**

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

"RESOLVED: That the President, an Executive Vice President, or any Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation."